



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

May 29, 2020

Jodi Kuhn, Director of Nutrition and Wellness
KinderCare Education, LLC
Post Office Box 6810
Subsidy Food Program
Portland, Oregon 97228-6810

Dear Ms. Kuhn,

The Department of Human Services (DHS) - Division of Audit Services staff conducted a limited desk review of the Child and Adult Care Food Program (CACFP) at KinderCare Education, LLC (Sponsor), Application Agreement number 00-365, beginning on March 26, 2020. The purpose of this review was to determine if the Sponsor complied with the *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, provider agreement, and applicable Federal and State regulations.

Important COVID-19 note: Due to the current outbreak and the risk that COVID-19 poses to your organization personnel and our staff, all our staff are working from home with no or very limited access to the office. Therefore, we will not send a copy of this report via regular mail until further notice. Please confirm the receipt of this email as it is currently the option to communicate to you. If you need any assistance or have any questions, please do not hesitate to contact us via email.

Based on our review of the Sponsor's records and information provided, the Sponsor had eight (8) feeding sites operating during the review period. The KinderCare 000068 (**Antioch**), KinderCare 000655 (**Memphis**) and KinderCare 300210 (**Knoxville**) centers were selected as the sample.

Background

CACFP Sponsors utilize meal count sheets to record the number of breakfast, lunch, supper, and supplement meals served. Meals served by participating Sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and DHS to be eligible for reimbursement. The CACFP Sponsor reports the number of meals served through the DHS Tennessee Information Payment System (TIPS) for reimbursement.

We inspected meal counts sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements. In addition, we observed a lunch meal service at **Memphis** on January 17, 2020, at **Nashville** on January 23, 2020, and at **Knoxville** on January 28, 2020.

Our review of the Sponsor's records for January 2020 disclosed the following:

1. The Sponsor did not provide documentation to support sufficient quantities of milk were purchased for all meals reported

Condition

Memphis - sample site

Based on the number of meals served with milk as a component, the Sponsor was required to purchase a total of 23,242 ounces of milk at **Memphis**. However, the Sponsor could only document the purchase of 23,040 ounces of milk, resulting in a shortage of 202 ounces of milk.

As a result, 25 breakfast meals claimed for reimbursement were disallowed. (See Exhibit C)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20...."

Title 7 of the Code of Federal Regulations, Section 226.20 (c)(1) states, in part, "Fluid milk, vegetables or fruit, or portions of both, and grains are required components of the breakfast meal."

Title 7 of the Code of Federal Regulations, Section 226.20(a)(1) states, "Fluid milk must be served as a beverage or on cereal, or a combination of both, as follows: (i) Children one year of age must be served unflavored whole milk. (ii) Children two through five years old must be served either unflavored low-fat (1 percent) or unflavored fat-free (skim) milk. (iii) Children six years old and older must be served milk that is low-fat (1 percent fat or less) or fat-free (skim). Milk may be unflavored or flavored from July 1, 2018, through June 30, 2019 (school year 2018-2019)."

Recommendation

The Sponsor should perform a month-end inventory for milk and maintain all receipts for food purchases to verify the required amount of milk was purchased and served.

2. The Sponsor served meals outside of the approved serving time

Condition

Nashville— sample site

During our monitoring visit at **Nashville** on January 23, 2020, we observed a lunch meal served outside of the TIPS approved time. The lunch meal service had already begun prior to our arrival at 10:55 am, but the TIPS approved meal service time was 11:00 am to 12:30 pm. The observed meals consisted of whole grain spaghetti with meat sauce, mixed vegetables, apple

sauce, and milk and was served to 95 participants.

Due to the observed meals being creditable, there were no meals disallowed.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states, "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20...."

Title 7 of the Code of Federal Regulations, Section 226.17(b)(9) states, "Each child care center must maintain daily records of time of service meal counts by type (breakfast, lunch, supper, and snacks) served to enrolled children, and to adults performing labor necessary to the food service."

Recommendation

The Sponsor should ensure that meals are served during the approved feeding site time

Observation

During our observation of the lunch meal service at **Antioch** on January 23, 2020 the menu did not match the items served; however, the meals served were creditable, and no meals were disallowed.

Technical Assistance Provided

During our monitoring visit at **Nashville** on January 23, 2020 technical assistance was requested regarding the updated "And Justice for All" poster and using ounce equivalence for the grain component in CACFP. Technical assistance was provided via email on January 23, 2020.

Additional technical assistance was provided regarding infant menus was provided to the Sponsor via email on April 16, 2020.

Note: Our observation of the meal services at **Antioch** and **Memphis** during the review period, revealed no significant deficiencies.

Disallowed Meals Cost

The disallowed meals cost associated with the findings above is below the DHS threshold for repayment.

Corrective Action

The Sponsor must complete the following actions within 30 days from the date of this report:

Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If you have questions relative to the corrective action plan, please contact:

Allette Vayda, Director of Operations
Child and Adult Care Food Program
James K. Polk Building, 15th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or Sean.Baker@tn.gov.

Sincerely,



Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

cc: Jennifer Jackson, Nutrition and Wellness Administrator, KinderCare Education, LLC
Eric Werner, CACFP Processing Supervisor, KinderCare Education, LLC
Allette Vayda, Director of Operations, Child and Adult Care Food Programs
Debra Pasta, Program Manager, Child and Adult Care Food Program
Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

EXHIBIT**Sponsor of Affiliated Centers Program Data****Name of Agency: KinderCare Education, LLC****Review Month/Year: January 2020****Total Meal Reimbursement Received: \$48,954.15**

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	22	22
Total Attendance	14,723	14,723
Number of Breakfasts Served	10,993	10,968
Number of Lunches Served	13,281	13,281
Number of Supplements Served	13,775	13,775

Exhibit B**Affiliated Center Program Data****Site: KinderCare 000068 (Antioch)**

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	22	22
Total Attendance	1,977	1,977
Number of Breakfast Served	1,567	1,567
Number of Lunch Served	1,949	1,949
Number of Supplements Served	1,880	1,880
Number of Participants Free Category	43	43
Number of Participants Reduced-Price Category	7	7
Number of Participants Paid Category	60	60
Total Number of Participants	110	110

Exhibit C**Affiliated Center Program Data****Site: KinderCare 000655 (Memphis)**

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	22	22
Total Attendance	2,835	2,835
Number of Breakfast Served	2,215	2,190
Number of Lunch Served	2,308	2,308
Number of Supplements Served	2,728	2,728
Number of Participants Free Category	117	117
Number of Participants Reduced-Price Category	24	24
Number of Participants Paid Category	50	50
Total Number of Participants	191	191

Exhibit D**Affiliated Center Program Data****Site: Kinder Care 300210 (Knoxville)**

Site Meal Service Reconciliation and Monitor Activity	Reported on Claim	Reconciled to Documentation
Total Days of CACFP Food Service	22	22
Total Attendance	1,581	1,581
Number of Breakfast Served	1,175	1,175
Number of Lunch Served	1,425	1,425
Number of Supplements Served	1,457	1,457
Number of Participants Free Category	21	21
Number of Participants Reduced-Price Category	3	3
Number of Participants Paid Category	69	69
Total Number of Participants	93	93